

Expanded Montgomery County Property Tax Break

Starting Levy Year 2006

IMPORTANT The State of Maryland and Montgomery County have greatly enhanced the eligibility requirement for the Homeowner's Property Tax Credit programs.

WHAT'S NEW The State of Maryland DOUBLED the maximum property amount from \$150,000 to \$300,000 (same as the County did last year).

Qualified Retirement Savings are now EXCLUDED from the \$200,000 Net Worth requirement.

Income formula ENHANCED by the State and further IMPROVED by the County to make more taxpayers eligible and increase credit amount.

Filing deadline is EXTENDED this year from September 1st to October 31, 2006

HOMEOWNER'S TAX CREDITS

- ✓ Do you own and live in a home in Montgomery County and make less than \$60,000?
- ✓ If so, you may be eligible for a reduction in your property tax bill, thanks to a tax credit that is available to low- and moderate-income homeowners!
- ✓ *Last year, the number of County residents who received a credit DOUBLED to over 5,100 with an average County credit of almost \$900.*
- ✓ This year, both programs were again improved. Please review the following details and please apply if you meet the requirements. If you are not sure, call the State at (800) 944-7403.
- ✓ In addition to the State of Maryland and Montgomery County credits, there are also credits available for residents in the City of Rockville and City of Gaithersburg. These are also administered by the State.

DETAILS

- ✓ The County Supplemental Credit is provided by Montgomery County and is available through the Maryland Homeowner's Property Tax Credit Program.
- ✓ Identical to the State program, it is a reduction (credit) to your tax bill paid for by Montgomery County.

- ✓ Both state and county credits are administered by the State Department of Assessments and Taxation (SDAT). A homeowner needs to apply each year only once to the state, and they will determine your eligibility for both credits.
- ✓ *To apply, call SDAT at 1-800-944-7403 for an application form, or visit their website to download the form and instructions.*
- ✓ For the 2nd year in a row, Montgomery County enhanced its credit program to make more taxpayers eligible for it. Even if you applied for the credit in the past but did not receive it, you might be eligible this year. *It pays to apply and see.*

Here are the important details of the County credit:

- ✓ You may be eligible if your annual household income is close to \$60,000.
- ✓ You must own and live in your home in Montgomery County.
- ✓ You must have lived in that home for 6 months, or will live in it for 6 of the next 12 months.
- ✓ Your home may be assessed at any amount, but only the first \$300,000 of its assessed value will be counted for this credit.
- ✓ The combined net worth of everyone in your household must not exceed \$200,000. This does not include the value of your principal residence *and starting this year excludes the cash value of any qualified retirement savings or individual retirement accounts.*

What's the application deadline?

- ✓ The deadline for the *reduction to your 2006-7 tax bill* is extended to **October 31, 2006**. To see if you are eligible for this tax credit, apply to SDAT before this deadline.
- ✓ Approved credits will reduce your tax amount due and result in "revised" tax bills.
- ✓ If the County is not notified of the approved credit until after you paid your taxes in September and December, you will receive a refund from the County.
- ✓ There is one important exception to this filing deadline: Any taxpayer at least 70 years old can apply retroactively for the current tax year, plus two previous years, as long as the taxpayer was at least *70 years old* in the year for which the application is filed.

To apply, call SDAT at 1-800-944-7403 for an application form, or visit their website at <http://www.dat.state.md.us/> to download the form and instructions